

STATE OF MAINE
OFFICE OF SECURITIES

In re:

Mid-Ohio Securities Corp.; Richard Desich,
Leonard J. Gibel; Thomas Gordon Cloud,
Thomas Gordon Cloud Jr.; Cloud & Associates
Consulting, Inc.; First Choice Management
Services, Inc.; and Gary Van Waeyenberghe

AMENDED NOTICE OF INTENT
TO ISSUE CEASE AND

DESIST ORDER
No. 01-021

ALLEGATIONS

1. Mid-Ohio Securities Corp. ("Mid-Ohio") is a broker-dealer (CRD # 6634) located in Elyria, Ohio. According to the records of the Maine Office of Securities, Mid-Ohio has never been licensed, or applied for a license, as a broker-dealer in the State of Maine.
2. Richard Desich (CRD #66145) is the President of Mid-Ohio. According to the records of the Maine Office of Securities, Mr. Desich has never been licensed, or applied for a license, as a sales representative in the State of Maine.
3. Leonard J. Gibel (CRD #219934) is a Vice-President of Mid-Ohio. According to the records of the Maine Office of Securities, Mr. Gibel has never been licensed, or applied for a license, as a sales representative in the State of Maine.
4. Cloud & Associates Consulting, Inc., also known as Cloud & Associates ("C&A") is a broker-dealer and investment adviser located in Atlanta, Georgia. According to the records of the Maine Office of Securities, C&A has never been licensed, or applied for a license, as a broker-dealer or as an investment adviser in the State of Maine.
5. Thomas G. Cloud (CRD # 834978) is the Chairman of the Board of C&A. According to the records of the Maine Office of Securities, Mr. Cloud has never been licensed, or applied for a license, as a sales representative or broker-dealer in the State of Maine.
6. Thomas G. Cloud, Jr. (CRD # 3021086), is the Executive Vice-President of C&A. According to the records of the Maine Office of Securities, Mr. Cloud, Jr. has

never been licensed, or applied for a license, as a sales representative or broker-dealer in the State of Maine.

7. First Choice Management Services, Inc. ("First Choice") is an issuer located in Tarpon Springs, Florida. According to the records of the Maine Office of Securities, First Choice's offering of Enhanced Automobile Receivables ("EARS") was not registered, and the Office is not aware of any exemption available for the securities.
8. Gary Van Waeyenberghe is the president and CEO of First Choice. According to the records of the Maine Office of Securities, Waeyenberghe has never been licensed, or applied for a license, as a sales representative in the State of Maine.
9. Cortland General Money Market Fund ("Cortland General") is a money market fund. Cortland General is a portfolio of Cortland Trust, Inc., an issuer registered with the United States Securities and Exchange Commission under both the United States Securities Act of 1933 and the United States Investment Company Act of 1940. Cortland Trust, Inc. is located in New York and incorporated in New Jersey.
10. In March of 2000, a Maine resident received a mail solicitation from Thomas G. Cloud promoting First Choice EARS. As a result of the solicitation, the Maine resident contacted C&A for more information.
11. On or about March 31, 2000, the Maine resident received a letter of solicitation and application forms for First Choice EARS from Thomas G. Cloud, Jr. of C&A.
12. On or about April 6, 2000, the Maine resident forwarded a signed Mid-Ohio account application, direction of investment, authorization to release information, and First Choice Service Agreement to Mr. Cloud, Jr.
13. On or about May 30, 2000, mutual funds owned by the Maine resident were liquidated and the proceeds of \$19,069.84 were wired to FirstMerit Bank. On May 30, 2000, the entire amount was credited to the Maine resident's Mid-Ohio brokerage account. On May 31, 2000, the entire amount was deposited into Cortland General and 19,069.84 shares of Cortland General were purchased. On June 6, 30 shares of Cortland General were sold and the proceeds, \$30.00, was credited to the Maine resident's Mid-Ohio brokerage account to pay bank fees journalized to the brokerage account on June 2, 2000. On June 15, 2000, dividends from Cortland General were reinvested and 46.44 additional shares were purchased. On June 30, 2000, 19,069.84 shares of Cortland General were sold and the proceeds, \$19,069.84, were credited to the Maine resident's Mid-Ohio brokerage account.

14. On June 30, 2000, the Maine resident's Mid-Ohio brokerage account was debited \$19,069.84 and a purchase of First Choice EARS was made in the amount of \$19,069.84 for the Maine resident's Mid-Ohio brokerage account.
15. Pursuant to 32 M.R.S.A. § 10602(1), the administrator may issue a cease and desist order if she reasonably believes that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Revised Maine Securities Act.
16. By effecting transactions for the Maine resident, Mid-Ohio transacted business as an unlicensed broker-dealer in violation of 32 M.R.S.A. § 10301(1).
17. By effecting transactions for the Maine resident Thomas G. Cloud and Thomas G. Cloud, Jr., transacted business as unlicensed sales representatives or broker-dealers in violation of 32 M.R.S.A. § 10301(1).
18. By effecting transactions for the Maine resident, C&A transacted business as an unlicensed broker-dealer in violation of 32 M.R.S.A. § 10301(1).
19. By contacting the Maine resident and recommending the First Choice EARS, C&A acted as an unlicensed investment adviser in violation of 32 M.R.S.A. § 10303(1).
20. By effecting transactions for the Maine resident, Gary Waeyenberghe acted as an unlicensed sales representative in violation of 32 M.R.S.A. § 10301(1).
21. By effecting transactions for the Maine resident, First Choice employed an unlicensed sales representative in violation of 32 M.R.S.A. § 10301(2).
22. By effecting transactions for Maine residents, Mid-Ohio, Richard Desich, Leonard J. Gibel, Thomas Gordon Cloud, Thomas Gordon Cloud, Jr., C&A, First Choice and Gary Van Waeyenberghe sold unregistered securities in violation of 32 M.R.S.A. § 10401.
23. For the reasons stated above, the Securities Administrator reasonably believes that Mid-Ohio, Richard Desich, Leonard J. Gibel, Thomas Gordon Cloud, Thomas Gordon Cloud, Jr., C&A, First Choice and Gary Van Waeyenberghe have engaged, are engaging and are about to engage in acts and practices constituting violations of the Revised Maine Securities Act.

NOTICE

Pursuant to 32 M.R.S.A. § 10708, notice is hereby given that the Securities Administrator intends to issue an Order to Cease and Desist pursuant to 32 M.R.S.A. § 10602 against Mid-Ohio Securities, Richard Desich, Leonard J. Gibel, Thomas

Gordon Cloud, Thomas Gordon Cloud, Jr., Cloud & Associates Consulting, Inc., First Choice Management Services, Inc., Gary Van Waeyenberghe, and all other officers, directors, employees, agents, and subsidiaries or controlling entities of Mid-Ohio Securities, Cloud & Associates Consulting, Inc. and First Choice Management Services, to prohibit further violations of the Revised Maine Securities Act.

Date: 10/09/2001

Christine A. Bruenn

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Securities Administrator